

# Questions and Answers: Recovery Act Funding for the National Clean Diesel Emerging Technologies Program

Updated April 1, 2009

NOTE: The last update to this document will be posted Friday, April 22, 2009, which means the last day to submit questions is Friday, April 17, 2009, 5pm EDT.

The American Recovery and Reinvestment Act of 2009 (Recovery Act) provides \$300 million in new funding to support the implementation of verified and certified diesel emission reduction technologies. The Emerging Technology RFA covers \$20 million that must be used to achieve significant reductions in diesel emissions in terms of tons of pollution produced and diesel emissions exposure (particularly from fleets operating in areas designated by the Administrator as poor air quality areas), and the funded projects must demonstrate the ability to maximize job preservation and creation.

Applicants must review and use the most recent version of this RFA when preparing their application packages for submission. Slight modifications were made to the RFA on March 23, 2009. See <http://www.epa.gov/otaq/eparecovery/index.htm> for more information.

The following Questions and Answers are compiled for the benefit of organizations considering applying for a grant under this Recovery Act RFA (Funding Opportunity **EPA-ARRA-OAR-OTAQ-09-05**).

- A. Applicant Eligibility**
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## **A. Applicant Eligibility**

Question A1: Can an individual apply for funding under this ARRA RFA?

Answer: No. Only the eligible entities listed in Section III of the RFA can apply for funding under this RFA.

Question A2: Will this RFA fund diesel emission reductions that are required by law?

Answer: No funds awarded under this RFA can be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. Refer to See Section 1.C.7: Restriction for Mandated Measures.

Question A3: The RFA states that award funds cannot be used to meet federal, state, or local emissions reduction mandates. What if a mandate has been passed or approved but has not yet gone into effect?

Answer: Mandated emissions reductions are defined by the date the mandate goes into effect, not the date the mandate is passed or approved. For proposals that include activities covered by a mandate, those activities must be completed before the mandate goes into effect, regardless of the length of the grant project period.

Question A4: Our school district currently contracts with a local bus company for the use of school buses. Would we be eligible to apply for funds under this RFA and provide the funding to the bus company to retrofit the school buses?

Answer: Yes. EPA has funded this type of project in the past since so many school districts contract with private companies for pupil transportation services. The school district would have to be the applicant, would have to maintain and be accountable for the grant funds, set up the contract with the bus company, and ensure that all retrofits are properly installed.

Question A5: Is a college or university that owns buses eligible to apply for this grant?

Answer: The college or university must first meet the eligible entity criteria in Section III (A) of the RFA. If the college or university falls into one of the eligible entity categories, the answer then depends on the actual project proposed. The project must meet all threshold eligibility criteria in Section III (C) of the RFA. All applicants should ensure that the project they are proposing is eligible based on these and any other requirements in the RFA.

Question A6: Are community colleges eligible to apply?

Answer: No.

Question A7: Can a private company (i.e. school bus, transit bus, engine manufacturer, retrofit technology manufacturer, etc) apply for funding under this RFA?

Answer: No. Only eligible entities as identified in Section III (A) of the RFA may apply. A private company may partner with an eligible entity but cannot apply on its own. EPA procurement rules must be followed for any contracts, partnerships, or subawards/subgrants, as explained in Section IV(G) of the RFA.

Question A8: If a private company partners with an eligible entity, can the eligible entity choose that company without competition?

Answer: Yes. For this Emerging Technology RFA, an eligible entity is either partnering with a technology manufacturer or a private fleet owner. Both are partnerships and can be selected without competition.

Question A9: Can funds from the grant be used to pay for biodiesel infrastructure such as pumps or storage tanks?

Answer: No. This funding cannot be used for fueling infrastructure, such as that used for the production and/or distribution of fuel such as biodiesel, or compressed natural gas fueling stations.

Question A10: Can a grant be used to rent a facility for biodiesel or to rent a transport vehicle for biodiesel?

Answer: Renting of biodiesel storage or transportation services is considered infrastructure under this solicitation and is ineligible.

Question A11: The language in the RFA indicates that city or county agencies are eligible. Does this preclude a city or county government from applying?

Answer: No. For this RFA, the term “agencies” is a general term that applies to all levels of government and does not exclude a city or county government.

Question A12: Is fuel tank cleaning an eligible expense?

Answer: No.

Question A13: My fleet is not large enough for a project that falls within the award ranges in Section II. Can I include vehicles or equipment from other fleets in my proposal?

Answer: Yes, but you must identify the other fleet(s) that you wish to include, and describe your relationship with such entity. In addition, you must also provide a description of vehicles/equipment belonging to the other entity that will be involved in the project. The recipient of any assistance agreement funds may then contract directly with the vendor/installer of the technologies to apply those technologies for all of the vehicles/equipment described under the proposal, provided that the conditions for procurement as described in Section IV (G) are followed.

Question A14: Can funds be used for a project that is already started or will be started before the expected award date?

Answer: No. Any funding awarded under this announcement must be used for activities that take place within the approved project period and may not be used for unauthorized pre-award costs.

However, funding could be used for a new component of an on-going project. For example, if the applicant has a fleet of 500 school buses and has already retrofitted 200, the applicant can apply for funds to retrofit the remaining 300 buses.

Question A15: Can we view the applications that were successful in obtaining federal funds?

Answer: Yes, you would have to file a Freedom of Information Act (FOIA) request. To do so, contact the FOIA officer in the applicable EPA Regional office. Certain Confidential Business Information and other protected information would be withheld.

Additionally, the National Clean Diesel Campaign website has a list of previously funded projects from past grant programs that could be used as a reference. See link for more information: [www.epa.gov/cleandiesel/projects.htm](http://www.epa.gov/cleandiesel/projects.htm)

Question A16: We have already placed an order for new school buses but won't receive them or pay for them until June of 2010. Can we use this grant to pay for those buses?

Answer: The EPA funding can not be used to pay for items which were procured outside of the award period. In the case of pre-ordering buses, the applicant must demonstrate that the pre-ordering does not constitute a procurement and commitment to purchase. If you obligated your school district to pay for the buses prior to the beginning of the grant period, then you are not eligible for reimbursement under this program. In addition, this project is not for buses that would have been replaced through attrition, but rather, early replacement. In most

cases, if the buses have already been ordered, the project would not be an early replacement project.

Question A17: Should entities in rural areas apply, or is the competition focused on urban areas?

Answer: The competition is open to all eligible entities – as defined in Section III (A) of the RFA – and EPA encourages all types of eligible entities to apply. Please refer to the selection criteria in Section V of the RFA for additional information on how the proposals will be evaluated and scored.

Question A18: During a recent Grants Workshop, it was mentioned that nonprofits that submit winning proposals must meet certain additional requirements. What are those requirements?

Answer: There may be some additional requirements that affect awards to non-profit organizations. For example, see the Administrative Capability clause in Section VI.G of the RFA.

In addition, effective October 1, 2007, grant specialists are including a new administrative condition in each grant award and increase amendment made to a non-profit organization. The condition, which is shown below, requires two employees of the recipient organization to take an on-line grants training course. No funds will be released for payments until the training is completed.

New Administrative Condition:

"The recipient acknowledges that two employees of this recipient organization must complete the mandatory on-line training, "EPA Grant Management Training for Non-Profit Applicants and Recipients." One person must be the project manager, or equivalent, for this assistance agreement. The other individual must be the person authorized to draw down funds for this assistance agreement. The training must be completed by both employees prior to the return of the award document to EPA and the receipt of any grant funds. The course can be accessed at: <http://www.epa.gov/ogd/>

At the end of the course the recipient must print out, sign and return the certificate of completion with the affirmation of acceptance to the appropriate grants office. The training certification will expire 3 years from the last training date. No funds will be released to the recipient by EPA until the required training is completed."

## **B. Project Eligibility**

### **i. Emerging Technologies**

Question Bi.1: What technologies are eligible for funding under this RFA?

Answer: Under this grant program, funding is restricted to the use of emerging technologies only. An emerging technology is a device or system that reduces emissions from diesel engines or diesel engine powered vehicles or equipment that has not been certified or verified by EPA or the California Air Resources Board (CARB), but for which an approvable application and test plan have been submitted for verification. Only those technologies that have been approved and placed on **EPA's Emerging Technology List**, found at [www.epa.gov/cleandiesel/prgemerglist.htm](http://www.epa.gov/cleandiesel/prgemerglist.htm), qualify as emerging technologies for the purpose of this funding solicitation.

If you want to apply to be on EPA's Emerging Technology list, go to <http://www.epa.gov/otaq/diesel/prgemerg.htm#application> and follow the instructions for manufacturers. To apply to EPA for a grant under this program, go to: <http://epa.gov/otaq/eparecovery/progemerge.htm#rfa>

Question Bi.2: Can a hydrogen generation system qualify as an Emerging Technology?

Answer: Yes, however, based on EPA's experience with testing hydrogen vehicles, there are numerous safety precautions that must be taken. In addition, oxygen and hydrogen gas may pose significant safety risks. Therefore, prior to proceeding further in the verification/Emerging Technology process, EPA requests an independent safety analysis from a qualified expert. The laboratory should be a Nationally Recognized Testing Facility (NRTL) and be certified to follow appropriate standards set by Federal Regulatory Agencies such as OSHA, NIOSH, NFPA.

This analysis should include, but is not limited to: analysis for potential for ignition and/or combustion, the dissipation rate of the hydrogen oxygen mixture, analysis of any leakage potential including any seepage of hydrogen through any materials used to construct the system (i.e. tubing), the maximum volume of hydrogen and oxygen that may be present throughout the system, the maximum pressure of gases at any given time included the possibility of gas build-up due to system failure evaluation of potential safety hazards.

Additionally, the manufacturer of the system should work with NHTSA to determine that the design of this system is not in violation of safety requirements for motor vehicles and details on any applicable DOT regulations.

Question Bi.3: Are we able to apply for funds related to Exhaust Gas Recirculation (EGR) equipment we have installed on our fleets from 2000-2009?

Answer: No. The funding is for future improvements to diesel fleets and equipment. However, any experience you have can be used to demonstrate your programmatic capability and experience.

Question: Bi.4: Is LNG (post-combustion) eligible for placement on the Emerging Technologies List?

Answer: No, however LNG is an alternative fuel that is eligible under the National Program.

## ii. Clean and Alternative Fuels

Question Bii.1: Does "conventional diesel fuel" include low sulfur diesel (LSD)? In other words, can funding be used to displace LSD with ultra low sulfur diesel (ULSD) fuel (with less than 15 parts per million sulfur) use in off-road construction vehicles?

Answer: Yes. You can use the grant funds to offset the cost of ULSD in non-road equipment. However, note that ULSD is required in 2010 so funds cannot be used for ULSD in some off-road scenarios after 2010. Only the incremental cost may be eligible.

Question Bii.2: Can you include cost differential in the application even though you are already purchasing ULSD or biodiesel at a premium?

Answer: EPA will cover the cost differential for new fuel contracts or changes to existing contracts. If an entity is already purchasing biodiesel or ULSD at a premium, EPA will not provide reimbursement for that activity. However, EPA will pay the cost differential associated with renewing, extending or obtaining a new contract for cleaner fuel.

Question Bii.3: Can an entity apply to fund the manufacturing process of biodiesel (or another cleaner fuel)?

Answer: No. This competition is intended to be for implementation of verified or certified diesel emissions reduction technologies, and is not intended to fund the manufacture, research, or development of those emission reduction technologies (fuel, equipment, etc.). Section II (E) of the RFA lists other funding restrictions and requirements.

## C. Application Process

Question C.1: Where do I get an RFA and where do I send the proposal?

Answer: The Request for Applications (RFA) can be downloaded at EPA's web site: <http://www.epa.gov/otaq/eparecovery/index.htm> and is also available through [www.grants.gov](http://www.grants.gov). The RFA contains information on how to submit an application and where to submit it. Please make sure you use the most recent version of the RFA when preparing your application since it has been slightly modified since it was originally posted on March 19, 2009.

Question C.2: Where do I find the actual form to submit the grant?

Answer: Please go to [www.epa.gov/ogd/AppKit/application.htm](http://www.epa.gov/ogd/AppKit/application.htm). You will find all the forms and the process to apply for funds under this RFA. Section IV (B) of the RFA includes detailed instructions on submission and application process.

Question C.3: What is an example budget for the SF-424A?

Answer: The proposed budget must have budget categories that reflect those on the SF-424A. An example of a detailed budget is provided as Appendix A of the RFA. The budget should indicate what portion of the cost will be paid by EPA, and what portion will be paid by the applicant or other partners. Leveraged funds are not included in the approved budget for the project.

Question C.4: How do I demonstrate that an area is economically disadvantaged?

Answer: One way to demonstrate that an area is economically disadvantaged is to cite data from the U.S. Census Bureau Web site ([www.census.gov](http://www.census.gov)) concerning the percent of area residents living in poverty. The Area Profile tool on this Web site can provide this statistic, as can using the Bureau's Small Area Income and Poverty Estimates Web site (<http://www.census.gov/hhes/www/saipe/saipe.html>).

Question C.5: Is there a required match when applying for funding?

Answer: There is no general match requirement for this program.



Question C.6: Past Performance: Is it necessary to list every federally funded grant the applicant has received in the last 3 years, if the applicant is a large organization that has received a large number of grants?

Answer: No. If the applicant has performed grants that are not similar in size, scope and/or relevance to the proposed project, it is not necessary to list them. And the RFA says to list not more than 3.

Question C.7: Past Performance: What if the applicant has received grants similar in scope, size and relevance, but the agreement was closed out more than 3 years ago? Can they still be listed?

Answer: The RFA specifies that they must have been performed in the last 3 years. Agreements that were implemented and closed out more than 3 years ago will not be considered in the scoring process.

Question C.8: Is the project implementation timeline presented in the grant announcement and running from June 9, 2009 to September 30, 2010 a requirement for a) the obligation of money to a project b) the beginning of project work c) the substantial completion of a project d) the completion of a project?

Answer: The Sept 30, 2010 date is a goal for the work to be completed, with 90 days for the last invoicing and final technical report and wrap-up of the project. If the work is not completed, the organization can ask EPA for a no-cost extension to complete the work. The Recovery Act appropriation expires on September 30, 2010, so EPA cannot obligate any Recovery Act funds after that date.

Question C.9: We are having trouble getting prices for the 2010 buses. How do we handle that in an application?

Answer: Obtain the best estimates you can using your existing procurement programs.

Question C.10: Can you put outputs and outcomes in table form?

Answer: Yes. You should make sure that you adequately explain the benefits of your project, in addition to the table.

Question C.11: Are applicants required to submit the Lobbying Certification when they submit their proposal package?

Answer: Yes. The required application materials are listed in Section IV.C of the RFA.

Question C.12: How do we calculate job creation/retention?

Answer: An applicant will only have to measure and report on jobs created/retained as a direct result of the project funding (recipients and tier one sub-grantees or contractors). In the application, the applicant must demonstrate how the proposed project will promote economic recovery and job creation and/or preservation.

Question C.13: Is there a maximum amount of program administration funding that an eligible entity can request?

Answer: No. However this will affect "cost-effectiveness" which is a criterion against which applications will be evaluated.

Question C.14: Please provide a description of the Vehicle Classes 5, 6, 7, 8, 8A and 8B as used in the optional Applicant Fleet Description spreadsheet.

Answer: Check Appendix A, Table A.2 of the Diesel Emissions Quantifier User's Guide ( <http://cfpub.epa.gov/quantifier/view/userguide.cfm> ).

Question C.15: Is our Clean Fuel Technology registration equivalent to being on the Emerging Technology list? If not, what do we need to do to be on the list and is there an expedited process for Clean Fuel Technology-registered products?

Answer: Registration is not the equivalent to being the Emerging Technology (ET) list. Information on the ET program & ET verification process is at <http://epa.gov/cleandiesel/prgemerg.htm>

Question C.16: Is the "test-plan to evaluate our product" (required for the Emerging Technologies grant program) the same as our test plan to complete EPA-verification or is it a test plan to evaluate our product under different protocols or standards?

Answer: The emerging technology test plan is the same test plan used for the verification process. Note: a complete application to the National Clean Diesel Campaign's verification process is necessary to develop an appropriate test plan.

Question C.17: What entities are eligible to perform the EPA-verification and/or the evaluation of our product (i.e. EPA labs, State ecology or environmental agencies, universities, engineering firms)?

Answer: The verification test program would be through the Environmental Technology Verification (ETV) process. Southwest Research Institute is the current organization conducting ETV testing for this process. See [www.EPA.gov/ETV](http://www.EPA.gov/ETV) for more information.

Question C.18: As potential applicants, are we able to see previous test-plan submissions?

Answer: There are test reports under the Air Pollution Control Center's section of the ETV Program. The test plan is developed in accordance with the appropriate protocols for the specific technology and intended application. The verification process and protocols are described at <http://epa.gov/otaq/retrofit/verif-process.htm>

Question C.19: Is there ample time to get on the list prior to the awarding of DERA funds?

Answer: Timing for placement on the ET list depends on a number of factors. Manufacturer's interested in being listed on the ET list should visit the website <http://www.epa.gov/cleandiesel/prgemerg.htm> for more information.

## **D. Recovery Act Requirements**

Question D.1: What requirements does the American Recovery and Reinvestment Act (Recovery Act) impose on this program that make Recovery Act funded projects different than projects funded under the regular DERA RFP?

Answer: The Recovery Act includes certification requirements, Buy American requirements, Wage Rate requirements, Quick-start requirements, and special reporting requirements. We are developing Recovery Act Q&As to address the requirements imposed by the Recovery Act.